

# **Britannia Coach Services Limited**

Financial statements

For the year ended 31 December 2006

Grant Thornton 

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**Company No. 4424894**

## Officers and professional advisers

<b>Company registration number</b>	4424894
<b>Registered office</b>	Kingswood House Alkmaar Way NORWICH Norfolk NR6 6BF
<b>Directors</b>	P D Gilbert J Barber
<b>Secretary</b>	G Rutter
<b>Bankers</b>	National Westminster Bank plc
<b>Auditor</b>	Grant Thornton UK LLP Chartered Accountants Registered Auditors Holland Court The Close Norwich NR1 4DY

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 31 December 2006.

### Principal activity and business review

The principal activity of the company during the year was the operation of a transport agency.

The results in the financial statements for the calendar year 2006 show a profit of £41,435 (2005 - £7,955). The business continues to expand. Turnover for the year grew by £337,461 (46%) and costs were prudently controlled.

The balance sheet showed net assets of £41,436 (2005 - £7,956) at the year end. The directors consider that the group's balance sheet is satisfactory.

The company will continue to grow in line with its main market of school transport to activity centres. Costs are being controlled well although they are under constant review.

The principal risk facing the group and its plans are the financial risks associated with the group's operation. These are controlled as set out below.

### Summary of key performance indicators

The directors monitored the progress of the company using gross profit %. There are only 2 members of staff and the operation runs satisfactorily.

	2006	2005
Gross profit %	8.3	5.7
Headcount	<u>2</u>	<u>2</u>

Gross profit % is the gross profit as stated in the financial statements divided by the turnover.  
Headcount is as stated in the financial statements

Gross profit has improved as the turnover expands. Fuel cost have risen but others costs remain fixed resulting in the improved gross profit %.

### Results and dividends

The profit for the year, after taxation, amounted to £33,480. The directors have not recommended a dividend.

### Financial risk management objectives and policies

The company aims to minimise financial risk by a number of measures. The directors prepare profit and cashflow forecasts, monitor performance against these and ensure that adequate financing arrangements are available from group companies to meet the requirements of the business. The company mainly operates in the UK, and as a result has minimal exposure to foreign currency exchange rates. Credit risk is minimised through payments being received in advance for the holidays.

## Report of the directors

### **Directors**

The directors who served the company during the year were as follows:

P D Gilbert  
D J W Ridler  
D Cook

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

D Cook was appointed as a director on 7 April 2006.

D J W Ridler retired as a director on 31 March 2006.

D Cook retired as a director on 15 March 2007.

J Barber was appointed as a director on 20 March 2007.

### **Directors' and officers' indemnity insurance**

The company maintains liability insurance for its directors and officers, with a cover limit for each claim or series of claims against them in that capacity. The directors have also been granted a qualifying third party indemnity provision under section 309 A-B of the Companies Act 1985. Neither the company's indemnity nor insurance provides cover in the event that a director is proved to have acted fraudulently or dishonestly.

### **Directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Report of the directors


In so far as the directors are aware:

- there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

### Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



G Rutter  
Secretary

27 April 2007

Grant Thornton 

## Report of the independent auditor to the members of Britannia Coach Services Limited

We have audited the financial statements of Britannia Coach Services Limited for the year ended 31 December 2006 which comprise the accounting policies, profit and loss account, balance sheet and notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

## Report of the independent auditor to the members of Britannia Coach Services Limited (continued)

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

*Grant Thornton UK LLP*

GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

NORWICH

*30 April 2007*



## Accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice).

Comparative information for debtors and creditors has been restated to correct the netting off of deferred income and debtors amounting to £401,295. There is no profit and loss account effect from this transfer.

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent, Outdoor Education (Holdings) Limited, publishes a consolidated cashflow statement.

### **Turnover**

The turnover shown in the profit and loss account represents amounts receivable for coach travel. Revenue is recognised on the first day of travel on the outward journey.

### **Financial instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

## Profit and loss account

	Note	2006 £	2005 £
Turnover	1	1,073,641	736,180
Cost of sales		984,160	694,400
Gross profit		89,481	41,780
Other operating charges	2	39,127	30,773
<b>Operating profit</b>	3	50,354	11,007
Interest payable and similar charges	5	172	—
<b>Profit on ordinary activities before taxation</b>		50,182	11,007
Tax on profit on ordinary activities	6	16,702	3,302
<b>Profit for the financial year</b>		33,480	7,705
Balance brought forward		7,955	250
Balance carried forward		41,435	7,955

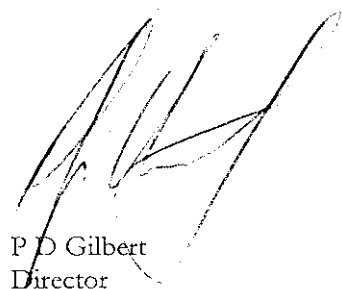
All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

## Balance sheet

	Note	2006 £	2005 £
<b>Current assets</b>			
Debtors	7	472,436	462,365
Cash at bank		—	3,162
		<u>472,436</u>	<u>465,527</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>431,000</u>	<u>457,571</u>
<b>Net current assets</b>		<u>41,436</u>	<u>7,956</u>
<b>Total assets less current liabilities</b>		<u>41,436</u>	<u>7,956</u>
<b>Capital and reserves</b>			
Called-up equity share capital	10	1	1
Profit and loss account		<u>41,435</u>	<u>7,955</u>
<b>Shareholders' funds</b>	12	<u>41,436</u>	<u>7,956</u>

These financial statements were approved by the directors on 20/01/07 and are signed on their behalf by:



P D Gilbert  
Director

## Notes to the financial statements

### 1 Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.  
An analysis of turnover is given below:

	2006 £	2005 £
United Kingdom	<u>1,073,641</u>	<u>736,180</u>

### 2 Other operating charges

	2006 £	2005 £
Administrative expenses	<u>39,127</u>	<u>30,773</u>

### 3 Operating profit

Operating profit is stated after charging:

	2006 £	2005 £
Directors' emoluments	—	—
Auditor's remuneration - audit of the financial statements	2,000	1,500
Auditor's remuneration - taxation services	<u>1,050</u>	<u>1,000</u>

### 4 Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2006 No	2005 No
Number of administrative staff	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were:

	2006 £	2005 £
Wages and salaries	32,292	27,231
Social security costs	<u>2,852</u>	<u>2,270</u>
	<u>35,144</u>	<u>29,501</u>

**5 Interest payable and similar charges**

	2006	2005
	£	£
Interest payable on bank borrowing	74	-
Other similar charges payable	98	-
	<u>172</u>	<u>-</u>

**6 Taxation on ordinary activities**

(a) Analysis of charge in the year

	2006	2005
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	15,054	3,302
Under provision in prior year	1,648	-
Total current tax	<u>16,702</u>	<u>3,302</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2005 - 30%).

	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>50,182</u>	<u>11,007</u>
Profit on ordinary activities by rate of tax	15,054	3,302
Under provision in prior year	1,648	-
Total current tax (note 6(a))	<u>16,702</u>	<u>3,302</u>

**7 Debtors**

	2006	2005
	£	£
Trade debtors	302,872	406,280
Amounts owed by group undertakings	169,564	56,085
	<u>472,436</u>	<u>462,365</u>

**8 Creditors: amounts falling due within one year**

	2006	2005
	£	£
Bank overdrafts	9	—
Trade creditors	59,365	12,892
Corporation tax	20,004	3,302
Accruals and deferred income	351,622	441,377
	<u>431,000</u>	<u>457,571</u>

**9 Related party transactions**

The company was under the control of Mr O Wiley until 26 August 2005. Mr O Wiley was the managing director and majority shareholder of this company. On 26 August 2005, Mr O Wiley sold this company to Kingswood Learning and Leisure Group Limited for nil consideration.

Transactions with the following related parties have been shown for the entire year. These companies were considered to be related due to Mr O Wiley being a director for part of the prior year until the company became a subsidiary of Kingswood Learning and Leisure Group Limited.

	2006	2005
	£	£
Kingswood Learning and Leisure Group Limited	403,586	198,350
Britannia Learning and Leisure Limited	—	24,364

**10 Share capital**

Authorised share capital:

	2006	2005
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

**11 Profit and loss account**

	2006	2005
	£	£
Balance brought forward	7,955	250
Profit for the financial year	33,480	7,705
Balance carried forward	<u>41,435</u>	<u>7,955</u>

**12 Reconciliation of movements in shareholders' funds**

	2006	2005
	£	£
Profit for the financial year	33,480	7,705
Opening shareholders' funds	7,956	251
Closing shareholders' funds	<u>41,436</u>	<u>7,956</u>

**13 Pensions**

The company has not operated, or contributed to any pension scheme on behalf of its employees.

**14 Contingencies**

The directors have confirmed that there were no contingent liabilities which should be disclosed at 31 December 2006 or 31 December 2005.

**15 Capital commitments**

The directors have confirmed that there were no capital commitments at 31 December 2006 or 31 December 2005.

**16 Ultimate parent company**

The company is a wholly owned subsidiary of Kingswood Learning and Leisure Group Limited, a company incorporated in England and Wales. The largest group of undertakings for which group accounts have been drawn up is Outdoor Education (Holdings) Limited. Copies of its group accounts can be obtained from The Secretary, Kingswood House, Alkmaar Way, Norwich, Norfolk NR6 6BF.

The directors consider that the company is ultimately controlled by funds managed by Bowmark Capital Limited, incorporated in England and Wales.